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From: William J. Crowe, Jr.
To: Ambassador Franklin Haydn Williams

Subj: Meeting with Salii and Silk in Mid-December

1. Background. Subject meeting may very well be a significant one in the light of recent developments. Certainly, this meeting will be the best opportunity you will have to clear up the confusion surrounding our land requirement in Palau and plans for future actions. It is difficult if not impossible to predict Salii's mood. He may feel that we deliberately avoided having a seventh round in December and that we have not played square with him (he has a strong tendency to overlook his own failings). On the other hand, he may be genuinely concerned about the current state of affairs, welcome the opportunity to organize the new JFSC before meeting with us again, and be looking for assistance in sorting out the Palau puzzle. His temperament will affect the atmosphere of the talks but should have little influence on your substantive positions. I believe you should cover the following:

2. Palau Land Situation. This is by far the most important topic you have to discuss. Suitable land in Palau for the use of the U.S. military is a significant portion of the U.S. minimum requirements and the failure to meet our request for Palau land would strike at the heart of the American position. Moreover, the disarray in Palau demonstrates graphically our concerns regarding the JFSC as a negotiating body. From the outset, you have had serious doubts as to whether the JFSC could speak for the Micronesian people and in particular could commit Micronesian land. If it cannot then perhaps you should explore other means for dealing with

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the Micronesian people. These issues should be put squarely to Salii and "his feet held to the fire". The following is a recommended scenario:

a. Opening. It is necessary first to elicit from Salii as much as possible in the way of background and his views of the issues. (We hope to have Professor Moos' preliminary analysis of the situation on Palau by the time you see Salii)

- - Emphasize that the U.S. is concerned about events in Palau and ask Salii for his views of what happened.

- - What is the root of Palauan unrest regarding U.S. land requirements? - misunderstanding? anti-militarism? desire to be independent? Opposition of pro-independence elements? desire to associate with Japanese business interests instead of U.S.?

- - How does he square what is happening in Palau with his statement in San Francisco several months ago in which he characterized the U.S. land requirement as modest and opined that the U.S. could get even more land if it wished? With statements by Reklai?

- - Does he now recommend that the land survey team visit Palau? What is Senator Tmetuchl's analysis?

- - Does his land sub-committee still plan to hold hearings in Palau and if so when?

- - Does he consider that the Districts will control such matters or will the JFSC have a voice here?

- - Would he recommend Ambassador Williams visiting Palau? in company with Salii?

(The answers to these questions will, of course, dictate at least

in part the course of the remaining conversation.)

b. Critical Issue.

- - Explain to Salii that the land requirement set forth in Hana and elaborated upon in Washington is in our opinion a modest and reasonable one. This is borne out by some of his own past statements both public and private.

- - We have no requirements in three of the five districts.

- - Only in Palau is the U.S. asking for anything new.

- - These needs have been deliberated upon at length within the USG and represent the U.S. minimums.

- - We cannot reduce out land requirement further.

- - This means that this issue is one of those at the heart of the negotiations. If the agreement we have already reached on this issue does not hold up, the future of the negotiations is in jeopardy.

- - The status quo protects U.S. strategic requirements and the USG is not going to agree to any change of status that does not continue in some fashion to protect its strategic interests. (We currently have the right to fortify the islands and to exercise eminent domain)

- - This is a fact of life and one which I have stressed during the negotiations a number of times. It should be completely understood.

c. Flexibility.

- - This does not mean that there is not room for maneuver.

- - The U.S. has said on a number of occasions that it is willing to consult with the people of Palau, to consider various locations, to attempt to adjust boundaries to accomodate local desires, to arrange joint use of certain facilities, to fairly

reimburse landholders, and in general to work together in shaping the agreement.

- - This was one of the purposes of sending the land survey team to Palau. We hoped to find ways of making our land needs considerate of and accomodating to Palauan desires. Our views in this regard have not changed and we are still prepared to move along those lines.

d. JFSC.

- - The Palauan reaction again highlights one of the basic problems which has concerned us from the outset and which we addressed at Barbers Point.

- - We have assumed that once we reach agreement, both delegations would endorse, recommend and defend the agreement before our respective Congresses and peoples.

- - Now we have the people of Palau passing resolutions repudiating provisions of the draft Compact. No doubt, many of these people do not understand or have a distorted understanding of the pertinent provisions.

- - But, at the same time we do not see anyone on the JFSC explaining what the U.S. considers to be its legitimate interests or defending the draft Compact as agreed to.

- - Again, this raises serious questions as to whether the joint approach is workable.

- - You told us at Hana and have repeated on a number of occasions that the JFSC is going to negotiate land requirements with the USG on behalf of Micronesia. If that is true the JFSC must be willing and able in some fashion to commit Micronesian land and

insure that the future government of Micronesia honors its agreements. This was acknowledged by the members of your land sub-committee and they gave us assurances that your side would work this problem out. You must demonstrate that your committee has this ability.

- - It is not practical for the future status of Micronesia and the GOM to be at the mercy of a few landholders; somebody must be able to reconcile differences in favor of the whole. The present delegations will never reach final agreement if the COM or the JFSC is not in a position to do this.

- - In a similar vein, the land sub-committee has refused to allow the U.S. to participate in its forthcoming hearings in Palau, except in the mute role of an observer, but has not made a single move to clear up the confusion and distortions in Palau.

- - This in a sense confirms some of the suspicions we had at Barbers Point. We have always been concerned that the projected Palauan land hearings without U.S. participation can be used to distort U.S. intentions and to mislead the Micronesian people. This forecast is already being borne out even before the hearings. This is a serious blow to the present negotiating format and could lead to a breakdown of the talks.

- - Your sub-committee cannot have the best of both worlds. In other words it cannot conduct itself irresponsibly at home and expect the USG to give it full credit when at the bargaining table.

- - We must work out some other arrangement, if we are to continue to negotiate. The Micronesian people must receive a full and accurate picture of what is going on. The USG fully appreciates that there is some opposition to its land needs in Micronesia, but we have a right to ask that the opposition be

based on a true picture of the U.S. position.

- - If the JFSC cannot speak for the people or defend publicly what it has agreed to, the USG must be permitted (and even encouraged) to go to the people and defend its case. (As the Administering Authority with responsibility to prepare the people for a change of status, we have this privilege. We can delegate our authority, but no party can take it from us until the trust is terminated.)

- - The alternative is to abandon the joint approach and to seek other avenues. This we would prefer not to do, but certainly the present situation is not satisfactory.

e. Land Survey Team. Broaching this subject should depend directly on Sali's reaction to the above.

- - We still intend to send the land survey team to Palau and would like both Senator Sali and Tmetuchl present. Certainly we would appreciate advice on timing and any other suggestions he might have. (It should be made clear, directly or indirectly, that the decision to send the team rests solely with the USG as administering power and that the decision is not subject to anybody's veto.)

- -. Perhaps, the two heads of the delegations could agree on a schedule for the visit. The land survey team can leave Washington after 1 January.

- - Hopefully, the land survey group visit to Palau while it will not eliminate all resistance will clarify the U.S. position in the public mind and reduce the level of apprehension.

- - In any event, it is necessary to complete the survey both for the benefit of the U.S. side and JFSC. The JFSC wishes

to know what specific sites are preferred and the U.S. particularly wants to sample for itself Palauan attitudes and opinions.

- - In this regard the team will wish to talk to landholders, local leaders, and interested parties. We would hope that Senator Salii and Tmetuchl could assist in arranging and facilitating these contacts.

- - Ambassador Williams may visit Palau after the Mariana talks. The purpose would be to shed more light on the U.S. position and to lay the groundwork for the subsequent visit of the land survey team. We would, of course, appreciate Salii's views on such a visit. (Again he should not be given the impression that he is being asked for permission or that he could veto the trip.)

f. Summary.

- - In summary, the developments in Palau are extremely serious for the future of the talks and it is incumbent upon the JFSC to work toward a mutually satisfying solution.

- - As for the U.S., the JFSC should fully understand the full implications of what is occurring and that the U.S. will not be intimidated.

- - We fully intend to protect our strategic interests.

- - At the same time we will continue to work toward a termination of the trust and if the JFSC does not offer a proper channel for achieving that end, we will look for alternative channels.

3. Seventh Round. There is very little to be gained in a conversation with Salii in attempting to lay the blame on him for the failure to have a seventh round in December. We seem to be in a sound position

vis-a-vis the public on this question and should now put off the seventh round until March or early April. If the dialogue on land ends in an amiable fashion and leads to consideration of further topics, it is preferable to take a positive approach regarding the seventh round.

- - There are advantages in a delay on the seventh round.

- - The land survey can go forward in a rational and deliberate manner. This basic question must be settled before convening a seventh round.

- - The JFSC can replace its lame duck members and have an opportunity to prepare for the next session.

- - Both the JFSC and the U.S. Delegation can take this time to further address and respond to the questions raised at Barbers Point and highlighted by developments in Palau.

- - The U.S. Delegation will have time to consult with its new Congress and new members of key committees. This is an important part of the negotiating process.

- - Likewise the JFSC will have an opportunity to assess any impact the new makeup of the COM will have on the negotiations.

- - We will also be meeting with the Marianas Political Status Commission after the COM adjourns and the two events will have to be coordinated. Subject to that reservation, we will be ready to move forward and meet as soon as practicable.

- - We would like to move right into finishing the draft Compact using the "drafting committee" format as we did in Washington. We predict great progress at the next session.

- - (Senator Salii could conceivably press for a seventh round in late December and early January. Unless there are some highly unexpected and unusual developments in the previous conversation we ought not to reply encouragingly.) We see no way to be back in Micronesia with a full delegation in time to complete an adequate drafting session before the COM meets on January 8. Surely Senator Salii appreciates the scope of such an effort and we would want at least ten days for drafting.

- - If Senator Salii has some reason to visit (such as seeing Warnke) the U.S. before the next round and after the Congressional session, we may find it to our mutual profit to meet and discuss the forthcoming round. (See some benefit in this but not enough to come only to visit with U.S. Delegation.)

4. Draft Compact. Senator Salii may ask if the U.S. has any suggested sections for the uncompleted draft Compact which can be submitted for JFSC consideration. Certainly we do not want to surface anything on termination or finance. The other sections will hardly satisfy Micronesian longings and might at the same time offer a target for sniping. In any case, we have several things to be settled before we can take up drafting again: their request for an independence option, the commitment of the JFSC to what is negotiated, and now the land issue in Palau.

5. Independence. Some value in sounding him out on the effects of recent elections on status alignments in Micronesia, much as at Barbers Point.

- - How do you interpret the recent elections vis-a-vis status? Williander defeat? Paul defeat? Lanwi defeat? Heine

election? Moses election? Hadley election?

- - Do you have any indications as to what the new membership of the JFSC will be?

- - What effect will this have on the COM's stance?
JFSC?

- - Does Salii still believe that completing a draft Compact may make it unnecessary to go through the negotiation of an independence option? Will he state this publicly?

- - As we have said before we do not believe that independence will offer the many benefits contemplated by its advocates, but it is difficult to persuade them. Does Senator Salii have any suggestions as to how we can approach this issue?

6. Marianas. This topic may come up, but believe it should be Salii rather than U.S. which raises the subject, since he is already aware of our plans.

- - We will be meeting with Marianas Political Status Commission 13, 14 and possibly 15 December. Then hope to meet again after the COM adjourns.

- - The initial meeting will be largely ceremonial.

7. Post-Marianas Travels. Believe Senator Salii should be informed of Mr. Wilson's trip through Micronesia and any plans you might have to visit Micronesia. The possibility of you visiting Palau may well come up under the land discussion.